



News release
For immediate release

BDC Selects Manager for New Growth Capital Fund and Announces Investment of \$75 million

Fund fills significant void in Canadian venture capital market

Montréal, Québec, May 25, 2009 – The Business Development Bank of Canada (BDC) today announced it has selected the manager of a new private sector growth capital fund, Tandem Expansion Fund. The fund will provide financing to Canadian technology growth companies and fills a significant void in the Canadian market for growth capital. BDC, which played a leading role in the creation of the fund, will invest \$75 million. These funds were provided by the Government of Canada, which allocated \$75 million in the 2008 budget to support the creation of a new privately run venture capital fund.

In addition to the \$75 million investment from BDC, Tandem has received preliminary commitments from a number of institutional and private investors and expects a first close on the Fund of \$300 million this summer.

“This new fund will provide important growth capital to enable promising Canadian technology companies to mature and compete in the global marketplace,” said Jean-René Halde, BDC President and Chief Executive Officer. “This initiative supports the BDC’s objective to build a vibrant venture capital industry in Canada and strong domestic base of technology companies. We believe the team at Tandem Expansion has the ideal background and experience to oversee this fund, and we look forward to working with them on this unique partnership.”

The general partner of the fund is Tandem Expansion, co-founded by two of Canada’s most experienced venture capital/private equity investors, Charles Sirois and Brent Belzberg. Mr. Sirois, who was recently appointed Chairman of CIBC, founded Telesystem in 1984, which has since invested more than \$1 billion in venture opportunities of all stages through its various funds. Mr. Belzberg is the Founder and Senior Managing Partner of TorQuest, one of Canada’s leading private equity firms with more than \$700 million in private equity capital under management.

Tandem’s day-to-day operations will be managed by a team led by four managing partners, each of whom has significant experience identifying, financing, building and maximizing the value of growth companies across a range of industries:

- David Bookbinder is a senior business executive with more than 25 years experience as an investor, operating executive and as a co-founder of Marsulex Inc., Chemtrade Logistics and SPI Polyols;
- André Gauthier was previously Managing Partner of Echo Capital, a venture capital firm, and served as Executive Vice President and CFO of Telesystem International Wireless until it was sold to Vodafone in 2005;

- Christopher Legg was a Partner at Argo Global Capital, a venture capital firm based in Boston, and was previously an investment banker in the technology group at Credit Suisse;
- Alex Moorhead was Chief Executive Officer and a co-founder of Loyalty Management Group, a London, England based company created in 2001, which was acquired by Groupe Aeroplan for \$755 million in December 2007.

All four managing partners are Canadian and will be bringing significant international expertise back to Canada. Tandem will be based in Toronto and Montreal, and expects to open an office in Western Canada in due course.

Mr. Sirois and Mr. Belzberg will co-Chair the Investment Committee and provide strategic oversight and guidance to the fund.

“Many Canadian venture-backed companies are unable to access later-stage funding from any private source, which causes them to seek out foreign funds, strategic buyers or public market alternatives earlier than they should,” said Mr. Sirois on behalf of Tandem Expansion. “This fund will address a clear market need across Canada for this kind of growth capital financing.”

“Growing Canadian technology companies need strong financial partners that have committed skills and resources to help bring their businesses to the next level,” added Mr. Sirois. “We are very proud of the team we have built for Tandem and believe a Canadian growth capital fund will maximize the value of Canadian companies, improve their access to financial and strategic liquidity alternatives and, ultimately, create world-leading Canadian firms and technology clusters.”

In general, Tandem Expansion Fund will invest in Canadian companies that have demonstrated technology development and commercial successes; have previously raised capital; have experienced management teams willing to work closely with Tandem; and have significant global growth opportunities.

About BDC

BDC is Canada’s business development bank. From 100 offices across the country, BDC promotes entrepreneurship by providing highly tailored financing, venture capital and consulting services to entrepreneurs. Visit www.bdc.ca for more information.

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